

### **DSE price indices, market cap hit all-time high**

The Dhaka Stock Exchange (DSE) set few new milestones on September 02, 2021 as all the three price indices and market capitalization hit all-time highs. DSEX, the key index of the DSE, gained 0.94%, or 64.67 points, to settle at 6,981.06 at close of business on the day, the highest peak since introduction. Alongside, the market capitalization of the prime bourse also hit a fresh all-time high at Tk5637.16b, surpassing the previous high of Tk5600b recorded just one session back. On January 28, 2013, the bourse launched the index under a Standard and Poor's-developed free-float methodology replacing the then key index, DGEN, which then was at 4,171.41 points. Apart from the broad index, two other indices - the DS30 index, a group of 30 blue chip companies, and the DSE Shariah Index (DSES) - followed suit to close at record high of 2,496.84 and 1,508.67, after gaining 22.12 points and 12.99 points respectively.

### **BB mounts monitoring of special funds**

Bangladesh Bank (BB) has tightened monitoring and supervision on the special funds formed by the banks to invest in the capital market, as earlier in the month the regulator reportedly detected some serious deviation and irregularities where at least 12-15 banks have been found to have violated the rules and terms of investing in the capital market from their respective special funds formed for stock market investments. A BB circular issued in this regard on August 31, 2021 directed the banks to submit detailed information of investments from their special fund on a monthly basis instead of quarterly basis as was required previously. On February 10, 2020 the central bank introduced a liquidity support scheme allowing the banks to form special fund of Tk2b each to invest in the capital market over the next 5 years. The fund can only be invested in listed entities, fixed income securities, including government treasury bonds, special purpose funds approved by the securities regulator and mutual funds. But in case of investing in equity shares of listed companies, the fund can only be invested in those which have disbursed at least 10% dividend for the last three years.

### **BB again extend loan repayment moratorium**

Through a circular issued on August 26, 2021, Bangladesh Bank (BB) has again extended the policy relaxation involving loan installment repayments to scheduled banks by their borrowers. Under the new arrangement, if 25% of the installment due that was scheduled to be paid within 31 December has been made, the borrower will not be classified as defaulter but the remainder of each installment will have to be paid within next year. The central bank came up with the latest move for loan classification in response to a request from businesses amid a fresh surge in coronavirus infection rate. However, despite the deferral of installment repayments, the amount of defaulted loans has not decreased. On the contrary, the volume of Non-Performing Loans (NPLs) stood at Tk992.05b at the end of June 2021, which was 8.18% of the total outstanding loans of the sector, according to BB reports. Meanwhile, in a separate circular issued on September 01, 2021 the central bank further relaxed the repayment policy for the borrowers of outstanding loans or leases from the Non-Banking Financial Institutions (NBFIs). Such borrowers would not become defaulters until December 31, 2021 if 50% of their loan installments were repaid. In such a case, the borrower will have to adjust the remaining loan installments within the next one year.

### **BSEC amend Public Issue Rules**

The Bangladesh Securities and Exchange Commission (BSEC) amended the Public Issue Rules, 2015 making it mandatory for companies to offload at least 10% of their paid up capital to raise funds through Initial Public Offering (IPO). It also set new IPO quotas for general public and other Eligible Investors (EIs). The company must offer 30% shares if the post-IPO paid up capital stands at Tk750m or less, 20% shares for above Tk750m but not more than Tk1.5b and 10% shares when it exceeds Tk1.5b. The issuer company may offer private placement of maximum 15% of the IPO at par value under the fixed price method or at fair value under the book-building method, which will be treated as a part of the IPO. Such placement shares will be allotted upon consent from the Commission. A company cannot raise paid-up capital except issuance of bonus shares within the preceding two years from the date of application for public offer. However, all shares held by foreign or local investors under private placement would be locked-in for one year. The previous timeframe was 2-4 years. Alongside, the securities regulator also revised IPO quota in the new public issue rules. From now on, general investors will get 70% shares of any IPO against the existing 50% quota under the fixed price and 40% in the book building methods. Non-Resident Bangladeshis (NRBs) will get only 5% IPO shares in both categories instead of 10%. Eligible Investors quota in primary shares has been brought down to 20% from 30%, and 25% from 40% in the fixed price and book building processes respectively. Mutual funds will get only 5% primary shares in the fixed price method, which previously was 10% while they will be treated as EIs under the book building system. If a public issue is undersubscribed by up to 35%, the unsubscribed portion of securities must be taken up by the underwriters. If IPO is undersubscribed by more than 35%, the public issue must be cancelled, the amended rules prescribes.

### **BB ask ten banks to show-cause**

Bangladesh Bank (BB) has sought explanation on maintaining a high interest rate spread in breach of the standing instructions from the central bank. BB sent show-cause letters to ten scheduled banks on August 10, 2021 in this regard with instructions to reply within seven working days. As per the recent report of BB, spread between the weighted average deposit rate and lending rate remained above 4.5% in these ten commercial banks. Earlier, the central bank instructed the banks not to keep the spread above 4% against the backdrop of the historically low rate on the deposit products as most banks are offering only 2% to 4% interest rate on deposits. In order to protect the interest of the depositors, the BB on last August 08 set a floor on deposit rates and instructed all the scheduled banks not to fix the rates for deposits below the inflation rate. As of July 2021, the weighted average deposit rates of 33 banks dropped further to 4.11% against 4.13% in the preceding month. Meanwhile, the point-to-point inflation rate stood at 5.36% in July of the current financial year.

Interest Rate Spread of 10 Banks as of June 2021

Source: Bangladesh Bank

Banks	Spread	Banks	Spread
Dutch Bangla Bank	6.14%	Woori Bank	4.78%
Shimanto Bank	5.73%	The City Bank	4.71%
Brac Bank	5.40%	Prime Bank	4.56%
Standard Chartered Bank	5.35%	Eastern Bank	4.52%
State Bank of India	5.05%	Trust Bank	4.51%

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,535.43	4,509.37	0.58
FTSE 100	7,138.35	7,148.01	-0.14
Nikkei 225	29,128.11	27,641.14	5.38
SENSEX	58,129.95	56,124.72	3.57
KSE 100	46,957.47	47,136.53	-0.38

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,981.06	6,851.32	1.89
Total Turnover, Tk	89,368,954,348	130,424,354,866	-31.48
Market Capital, Tk	5,035,105,913,704	4,971,122,263,504	1.29
No of Issue Gain	247	218	
No of Issue Loss	17	139	
No of Unchanged Issues	21	21	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Eastern Insurance	104.80	134.50	28.34	212,812,000
BNICL	124.90	158.40	26.82	661,666,000
Rangpur Foundry	137.40	166.50	21.18	117,089,000
Monno Ceramic	133.80	161.80	20.93	502,678,000
Islami Insurance	60.80	72.40	19.08	718,207,000
MONNOAGML	714.60	849.40	18.86	197,681,000
Northern Jute	314.80	371.80	18.11	121,434,000
Samata Leather	85.90	101.40	18.04	68,601,000
DESHBANDHU	19.40	22.70	17.01	334,887,000
BD. Autocars	147.20	170.60	15.90	107,431,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Grameen2	21.40	18.00	-15.89	346,508,000
NLI First Mutual Fund	17.60	15.30	-13.07	46,472,000
Green Delta M. F.	9.70	8.70	-10.31	104,999,000
DBH First Mutual Fund	9.80	8.80	-10.20	47,684,000
Metro Spinning	35.00	31.80	-9.14	692,855,000
ICBPMF1S1	8.60	8.00	-6.98	8,542,000
MIDAS Financing	22.30	20.80	-6.73	84,623,000
Prime Finance	16.50	15.50	-6.06	359,796,000
Uttara Finance	46.70	44.20	-5.35	35,525,000
SBACBANK	24.60	23.30	-5.28	684,515,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	499.30	498.66	0.13	6,497.40	13,603.48	-52.24
Cement	455.43	430.58	5.77	3,993.81	3,720.37	7.35
Ceramic	913.52	866.39	5.44	1,412.59	1,878.56	-24.80
Engineering	8,355.54	8,208.49	1.79	9,321.75	12,609.58	-26.07
Food & Al.	5,416.69	5,286.52	2.46	4,217.57	3,374.73	24.98
Fuel & Pow.	4,472.32	4,441.21	0.70	6,488.62	14,093.62	-53.96
Insurance	3,308.58	3,124.00	5.91	14,785.54	14,615.58	1.16
IT	593.91	587.02	1.17	1,399.84	2,410.61	-41.93
Jute	1,317.70	1,216.30	8.34	348.76	533.34	-34.61
Misc.	2,461.22	2,336.36	5.34	7,502.92	9,036.24	-16.97
Mutual Fund	602.37	627.00	-3.93	2,115.22	3,431.57	-38.36
NBFI	1,531.61	1,556.97	-1.63	7,294.82	13,382.02	-45.49
Paper	8,016.15	7,682.05	4.35	628.60	792.07	-20.64
Pharma	1,610.71	1,594.07	1.04	7,516.40	10,811.98	-30.48
Service	1,514.55	1,519.76	-0.34	1,454.99	1,872.74	-22.31
Tannery	867.28	815.89	6.30	646.17	1,117.89	-42.20
Telecom	4,887.78	4,942.13	-1.10	1,026.43	1,587.32	-35.34
Textile	1,862.65	1,819.41	2.38	10,311.88	18,284.61	-43.60
Travel & Leis	491.59	490.72	0.18	201.33	532.88	-62.22

## Technical Talk

Dhaka stocks advanced for the eleventh straight week with all three indices and market-cap surged to new highs. The market remained shut on August 30 due to a public holiday. The key index gained in three out of four sessions in the past week riding on regulatory measures. Among the major sectors, Insurance increased by 5.91%, followed by Cement 5.77%, Textile 2.38%, Engineering 1.79% and Pharma 1.04%.

DSE Broad Index (DSEX) stood at 6,981.06 points after increasing by 129.74 points or 1.89% from the previous week. Total turnover reached at Tk89368.95m, which was 31.48% lower than the previous week. Market capitalization increased by 1.29% and stood at Tk5035.11b (\$59.10b) at the weekend against Tk4971.12b. DSE 30 increased by 43.41 points or 1.77% and closed at 2,496.84 points against 2,453.43 points. Last week's weighted average Market PE was 20.25 which was 20.01 previous week.

Based on the daily charts of DSE movement, which is used to track short-term trend, technical readings are as under:

### Relative Strength Index (RSI)

The RSI indicator reached to overbought territory indicating susceptibility to price correction. Last week, RSI was 82.54.

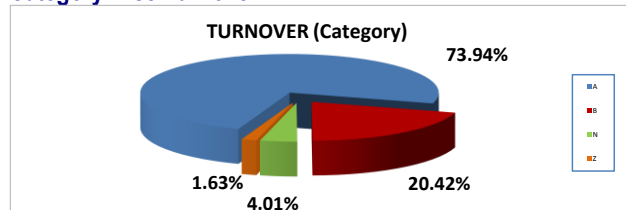
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	48,145,804	5,267,260,000	5.89
LafargeHolcim BD	37,932,057	2,982,178,000	3.34
Beximco Pharma	8,113,678	1,634,075,000	1.83
BATBC	2,792,583	1,629,306,000	1.82
Shahjibazar Power	13,798,815	1,562,247,000	1.75
MaksonsSpinning Mills	53,395,189	1,490,791,000	1.67

### Top 10 Market Capital

			In million
GP	489,214	United Power	154,621
Walton Hi-Tech	425,190	RENATA	126,337
BATBC	315,954	ICB	102,761
ROBI	222,088	Beximco Ltd.	101,302
Square Pharma	193,668	LafargeHolcim	91,400

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,829.90	1,820.50	0.52
Silver (USD/t.oz)	24.80	24.08	2.99
Brent Crude Oil (USD/bbl.)	72.45	71.59	1.20

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	85.20	85.25	85.20	85.25	0.00	0.00
EUR	103.28	103.34	102.23	102.29	1.03	1.03
GBP	120.53	120.60	119.51	119.58	0.85	0.85
AUD	63.88	63.91	62.17	62.23	2.75	2.70
JPY	0.78	0.78	0.78	0.78	0.00	0.00
CAD	68.40	68.44	67.83	67.87	0.84	0.84
SAR	22.83	22.85	22.23	22.85	2.70	0.00

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY- Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

### Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
Beximco Green Sukuk Al Istisna'a	16 Aug - 06 Sep, 2021	100	7,500